

P-407, 421, 430, 405, 426/CP-88-839 REQUIRING FILING OF COST STUDIES AND PROPOSED RATES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Darrel L. Peterson	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Patrice Vick	Commissioner

In the Matter of the Petition for Extended Area Service from Mayer, Minnesota to the Minneapolis/St. Paul Metropolitan Calling Area

ISSUE DATE: July 3, 1990

DOCKET NO. P-407, 421, 430, 405, 426/CP-88-839

ORDER REQUIRING FILING OF COST STUDIES AND PROPOSED RATES

PROCEDURAL HISTORY

On October 22, 1988, customers within the Mayer exchange filed a petition requesting extended area service (EAS) from Mayer to the Minneapolis/St. Paul metropolitan calling area.

On April 27, 1990, the Minnesota legislature enacted legislation regulating the installation of extended area service (EAS) in Minnesota. The legislation specifies the circumstances under which the expansion of the metropolitan extended area telephone service is required. Minn. Stat. § 237.161 (1990).

On June 12, 1990, the Commission met to consider the implications of this legislation for EAS petitions currently pending before the Commission ¹ and to undertake its revised regulatory

¹ The implications of the new legislation for the other petitions for extended area service (EAS) pending before the Commission are addressed in separate Orders of the Commission:

1. In the Matter of the Petitions of Certain Subscribers in the Exchanges of Zimmerman, Prescott, Waconia, Belle Plaine, North Branch, Lindstrom, New Prague, Cambridge, Hudson, Houlton, LeSueur, Cannon Falls, Delano, Northfield, Buffalo, and Watertown for Extended Area Service to the Minneapolis/St. Paul Metropolitan Calling Area, Docket P-421, 405, 407, 430, 426, 520, 427/CI-87-76, ORDER AFTER RECONSIDERATION OF JUNE 20, 1989 ORDER IN LIGHT OF MINNESOTA STATUTE § 237.161 (1990) (June 26, 1990).

2. In the Matter of the Petition of Certain Subscribers in the Montrose Exchange for Extended Area Service to the Minneapolis/St. Paul Metropolitan Calling Area, Docket No. P-421, 413,

responsibilities under the legislation.

FINDINGS AND CONCLUSIONS

Regulation Under the New EAS Statute

Minn. Stat. § 237.161 (1990) divides telephone exchanges into two groups: metropolitan area exchanges (i.e. those served by a central office located within the seven county metropolitan area) and non-metropolitan area exchanges. The Mayer exchange is a metropolitan area exchange because its central office is in the seven county metropolitan area.

EAS Regulation of Metropolitan Area Exchanges: Section 2 of Minn. Stat. § 237.161 (1990) requires the Commission to undertake a project to expand the metropolitan extended area service local calling area to include each metro area exchange. For these exchanges, rather than evaluating whether extension of EAS is in the public interest as previously required by the Commission's rules,² the Commission now only determines the appropriate EAS rates for these exchanges and then polls subscribers within each exchange to determine whether more than 50% of those responding to the poll desire EAS. If so, the Commission will require that the affected telephone companies provide it.

The New Statutory Requirements and Procedures as Applied to the Mayer Petition for EAS

The Mayer exchange does not need to meet the adjacency and traffic study requirements established for non-metro exchanges because it qualifies under Section 2 of Minn. Stat. § 237.161 (1990). Rather, the Commission will determine the appropriate rates for EAS for the Mayer exchange and then conduct a polling. If a majority of customers responding to the poll in the Mayer exchange

407, 405, 430, 426/CP-88-856, ORDER DEFERRING ACTION
(July 3, 1990)

3. In the Matter of the Petition of Certain Subscribers of the Waverly Exchange for Extended Area Service to the Metropolitan Calling Area, Docket No. P-413, 421, 430, 407, 405, 426/CP-89-187, ORDER DEFERRING ACTION (July 3, 1990).

4. In the Matter of a Petition for Extended Area Service Between the Monticello Exchange and the Minneapolis/St. Paul Metropolitan Calling Area, Docket No. P-404, 421, 430, 407, 405, 426/CP-89-1039, ORDER REQUIRING FILING OF TRAFFIC STUDY (July 3, 1990).

² The Commission's rules governing Extended Area Service are Minn. Rules, Part 7815.0700 - 7815.1500. Those rules provide that the Commission shall order installation of an EAS route whenever it finds that the public interest requires it. Minn. Rules, part 7815.1400. Minn. Stat. § 237.161 (1990) supercedes that rule.

favor the installation of EAS to the metro calling area, then the Commission will direct the telephone company serving the Mayer exchange (Contel of Minnesota, Inc.) to install it.

To determine appropriate EAS rates for the Mayer exchange prior to polling, then, the Commission will direct Contel of Minnesota, Inc. to file cost studies and proposed rates which meet the requirements of Minn. Stat. § 237.161, Sec. 2, Subd. 4 within 45 days of the date of this Order. In addition, to assist the Commission in establishing the income neutral EAS rates as required by Minn. Stat. § 237.161, Sec. 2, Subd. 4, the Commission will also require the telephone companies serving the existing metro calling area to file cost studies and proposed EAS rates which meet the requirements of Minn. Stat. § 237.161, Sec. 2, Subd. 4 within 45 days of the date of this Order.

ORDER

1. Within 45 days of the date of this Order, Contel of Minnesota, Inc., the telephone company serving the Mayer exchange and each of the telephone companies serving the existing metro calling area (Northwestern Bell Telephone Company, Contel, Central Telephone Company, United Telephone Company, and Scott-Rice Telephone Company) shall file a cost study and proposed EAS rates for the Mayer exchange which meet the requirements of Minn. Stat. § 237.161, Sec. 2, Subd. 4 and serve a copy of each filing on the Minnesota Department of Public Service, the Residential Utilities Division of the Office of the Attorney General (RUD-OAG) and the City of Mayer.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

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